

# STATE NEWS WEEKLY SUMMARY CONTINUED

larly those operating bingo halls for charities, the ability to keep their doors open. The bill allows bingo halls to use bingo cards or faces for up to five games and allows smaller halls to delay payment of bingo card taxes.

Rep. Wanda Jo Peltier, D-Oklahoma City and a long time proponent of stringent bingo regulation, questioned Fields extensively about what she claimed was his desire to give both large and small bingo operators a significant tax break, as well as the ability to dodge taxes.

The problem for small halls, Peltier said, was not that they must pay the taxes before they have the opportunity to collect revenue from the cards, but that those selling bingo cards sold them only in large lots, typically of 3,000 or 9,000 cards.

The bill, Peltier added, would encourage bingo hall operators, particularly larger ones, to try to get under the \$50,000 annual revenue limit to delay their tax payments. That would mean, she said, they would use counterfeit or out-of-state, untaxed cards in their halls.

Before bingo card taxes were collected from the distributors, Peltier explained, the taxes totaled approximately \$4.5 million. Once the taxes were paid up front when operators purchased the cards, that amount increased to \$12.5 million, she said.

Rep. Sean Voskuhl, D-Marshall, joined with Fields in urging support of the bill.

Voskuhl pointed to Covington, a small community in his district, in which the senior citizens center uses its bingo hall to support its feeding program for the elderly.

"It would be a crying shame," Voskuhl said, "if we didn't help these little towns and their senior citizens centers that help people."

Fields concluded the debate simply, saying once again that the bill was tailored to help small bingo facilities whose main goal was to support local projects.

The bill passed the House by a 51-49 vote. The bill's emergency clause, however, failed by a vote of 48-52.

—SHAWN ASHLEY  
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## HOUSE, SENATE PASS INDIAN GAS TAX BILL

■(GIT) Calling it a reasonable solution to a complex problem, state lawmakers late Thursday gave their approval to a bill designed to address the Indian motor fuel tax question.

**HB2208**, by Rep. Howard Cotner, D-Frederick, and Sen. Ed Long, D-Enid, was passed by both houses of the legislature. The bill is expected to be sent to the governor, who has voiced his support for the measure, on Friday.

Key provisions of the bill include:

- ✓ Procedures for the exemption for sales of motor fuel to eligible government entities, including Indian tribes, and procedures for motor fuel tax refunds for certain tax exempt users;

- ✓ Precollection of motor fuel taxes by the supplier; and

- ✓ Procedures for Indian tribes to enter into a contract with the state providing that the tribe will not challenge the constitutionality of the act and in return the state will apportion quarterly to the tribes a portion of the state motor fuel tax revenues.

Under the terms of the bill, tribes entering into a contract with the state would receive three percent of the total fuel tax revenues during fiscal year 1997; four percent in fiscal year 1998; and 4.5 percent in fiscal year 1998 and in following years.

Despite the anticipated annual appropriations to the Indian tribes, estimates from legislative staffs indicate, the state should see an increase in gas tax revenue due to increased compliance with the tax requirements.

The agreement was necessary after the US Supreme Court ruled last June that Indian tribes do not have to pay taxes on motor fuels. In the case, *Oklahoma Tax Commission v Chickasaw Nation*, the court unanimously upheld a ruling by the Tenth Circuit court of Appeals in invalidating Oklahoma's excise tax on motor fuel and diesel fuel sold by Chickasaw Nation retail stores in Indian Country, rejecting Oklahoma's argument that the proper approach to evaluate a direct state imposed tax on Indian tribes or on tribal members inside Indian Country is to employ a balancing test and weigh the relevant state and tribal interests.

Rep. Howard Cotner, D-Frederick and chief architect of the bill, and other House members described the bill as the best possible solution to what one representative said was "a sticky situation."

Some of the bill's opponents, however, claimed it would make the state a hostage to the Indian nations.

Rep. Larry Ferguson, R-Cleveland, urged the rejection of the bill's conference com-

mittee report out of what he said was concern that the governor might be veto the bill. He said he based his position on the governor's statement that the state should have the ability to audit tribe's use of the money they could receive under the terms of the bill. That provision, he said, was not specifically included in the bill.

Rep. Jim Hamilton, D-Poteau, called the agreement historic:

"This is the first time the Indian tribes have waived their sovereign immunity to enter a contract with the state of Oklahoma."

Hamilton added, "It's time to put our trust in them as they've put their trust in us by being willing to waive their sovereign immunity."

Cotner's motion to adopt the bill's second conference committee report received a 63-34 passing vote, followed by a 64-33 passing vote for the bill.

The measure then moved to the Senate.

Senate Minority Leader Gerald "Ged" Wright, R-Broken Arrow, under limited debate, said he was disappointed with the final version of the bill. He said agreements reached earlier in the day were not represented in the bill.

He cited two issues that particularly "offended" him, one being the question of whether or not the state has the right to audit tribal nations to assure agreements are being adhered to. Wright, an attorney, said such audits are perfectly legal.

"I don't understand how citizens of our state who drive our roads shouldn't have to pay for it," he said. "We've got some people in the state that aren't part of us anymore."

Sen. Cal Hobson, D-Lexington, a key figure in negotiations with tribal and state officials, said the state must respect the fact that the tribes are indeed sovereign nations.

Though he called Native Americans "probably the most persecuted race on the face of this earth," Sen. Frank Shurden, D-Henryetta, opposed the measure, saying it would destroy Oklahoma's tax base.

Shurden said the "mom and pop" gas stations across the state would be ruined as a result of the compact.

Other members offered other solutions to the bill. Sen. Don Rubottom, R-Tulsa, suggested that the matter be deferred to the Oklahoma Tax Commission for them to address on an issue-by-issue basis. He ques-

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